

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE FEDERAL TAX)
REFORM ACT OF 1986 ON THE RATES OF) CASE NO. 9786
EQUITABLE GAS COMPANY)

O R D E R

On February 25, 1987, Equitable Gas Company ("Equitable") filed its response to the Commission's order dated December 11, 1986. In its response, Equitable noted that it had experienced net losses for the years 1984, 1985 and 1986, and therefore, has not incurred an income tax liability during this period. For this reason, Equitable requested that this case be dismissed.

Any recent historical test period would not reflect an income tax liability and, moreover, the Final Order in Equitable's last rate proceeding does not reflect an allowance for income taxes. For these reasons the Commission finds that this case should be dismissed. Full consideration of the changes in the tax laws will, however, be addressed in Equitable's next rate proceeding before the Commission.

IT IS THEREFORE ORDERED that this case be and hereby is dismissed without prejudice.

Done at Frankfort, Kentucky, this 30th day of March, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Hemmick
Chairman

Robert L. [Signature]
Vice Chairman

James M. Williams
Commissioner

ATTEST:

Executive Director